

■ Now's the Time for Asia Now

Program Helps Small Exporters Find Customers and Partners

by Doug Barry

U.S. Commercial Service

Hisham Fawzi, a Virginia-based businessman, wanted to make the most of a trip to Asia by meeting potential buyers in more than one market. So he contacted the Commerce Department's U.S. Commercial Service, which introduced him to the Asia Now program.

"Asia Now is a way for a small business like mine to find very qualified and motivated distributors and buyers in multiple Asian markets," Fawzi says. "For a little extra in travel money and time, the program helped generate a substantial number of new sales."

Asia Now makes sense for a number of different reasons, says Maria Cino, director general of the U.S. Commercial Service: "Asia has a population of over 2 billion people, huge purchasing power, and some of the world's fastest-growing economies, including China's." She also points out that 65 percent of all U.S. exporters only export to a single market. "So the reasoning is that if you make it easier to enter a second or third market in the same region, small companies will happily diversify."

■ MAKING THE MOST OF JET LAG

"It makes sense to us," says Fawzi, who is president and CEO of Excel Holdings, which makes a device that produces drinking water out of the

atmosphere. "If I fly the long distance to Singapore to meet with buyers whom the Commercial Service has found for me, it's cost-effective to ask them to do the same thing for me in nearby Malaysia and Indonesia."

Cino says that her offices in other Asian countries will have already received strong expressions of interest from buyers and distributors, so the probability of success is high and costs due to cultural and other differences low. Using existing services including the Gold Key, but doing them in multiple markets within the same region, provides clients like Fawzi meetings with qualified buyers and distributors, logistical support at each stop, interpreters who know the industry lingo where needed, targeted market research, and counseling before and after the meetings.

Fawzi says a big attraction of Asia Now is that you can fly into several unfamiliar cities and have most of what you need arranged ahead of time by representatives of the U.S. government. Next thing you know you're set up in a nice hotel, often at a preferential rate. "Dealing with folks at the U.S. embassy is a big advantage especially in these times," he notes. "It gives me and the local buyers a lot of confidence and trust in the process and in each other. It can be a decisive factor."

Fawzi and other small business owners active in the region are concerned

about current health and security issues in some of the countries. However, they insist that there are few alternatives with as much promise and that the region is large enough to allow them to mine plentiful opportunities while avoiding the trouble spots.

U.S. total exports to East Asian and Pacific countries totaled more than \$187 billion in 2002, a 2-percent drop from 2001. The top markets are Japan, China, and South Korea. In 2002, U.S. exports to Japan made up 26 percent of total exports to the region. U.S. exports to China and South Korea each comprised 12 percent.

The Commercial Service offices participating in Asia Now are located in these key markets: Australia, New Zealand, Singapore, the Philippines, Indonesia, Taiwan, South Korea, China, Hong Kong, Malaysia, India, Thailand, Vietnam, and Japan. This network represents a vast competitive advantage, especially for smaller companies for which even planning a sales trip to the region can seem like a monumental undertaking.

"It's important for U.S. companies to understand there are more opportunities in these markets than there are U.S. suppliers to take advantage of them," says William Zarit, senior commercial officer in Kuala Lumpur, Malaysia. "This market is a good example." Indeed, Malaysia, with \$34.5 billion in foreign reserves and

a 35-percent savings rate, is investing heavily in oil and gas, power, transportation, and other infrastructure projects.

Zarit likes the \$16.2 billion earmarked for domestic investment in the petroleum sector between 2001 and 2005, with \$600 million to be spent annually on imported equipment. And he likes health care, noting that the government plans to spend \$1.4 billion between 2001 and 2005, with the private sector expected to spend \$1 billion annually just on medical products and services.

Also under the Asia Now banner is a series of regional trade shows selected to appeal to a large number of smaller U.S. companies. The shows are mostly held in the regional trading centers of Singapore and Hong Kong, both with many direct flights and excellent facilities. U.S. Commercial Service officers and trade specialists bring delegations of buyers throughout the region to meet with U.S. exhibitors, who work out of U.S. pavilions at the trade shows.

TRADE SHOWS THAT DELIVER THE GOODS

During the recent retail and consumer goods show Rite Asia in Singapore, 12 U.S. companies attended and met with Commercial Service specialists from 14 countries in the region to develop plans for entering one or more of these markets. Show results from the U.S. exhibitors were excellent with some companies reporting sales off the floor and others announcing pending orders valued at \$2 million, according to George Ruffner, senior commercial officer in Singapore. In addition, they expect to conclude nearly 30 representation agreements with various Asian agents and distributors they met at Rite. The U.S. participants represented many products of interest to Asian buyers, including California wine, oral hygiene products, freeze-dried soups, and herbal remedies. During the show, U.S. Ambassador Franklin Lavin

briefed exhibitors on the opportunities and challenges of doing business in Singapore and the region.

Another service offered through Asia Now is the Asia Now Express Service, which provides U.S. businesses with an initial response to market questions within 24 hours. This free service provides advice on duty rates, general information on country standards for specific products, and more. The service is available in Australia, New Zealand, Singapore, the Philippines, Indonesia, Taiwan, South Korea, Hong Kong, and Malaysia.

Robert Connan, the senior commercial officer in Sydney, Australia, who piloted the service, says it was created to whet the appetites of U.S. businesspeople who might not give this part of the Asia Pacific a second thought. "When American business thinks of Asia it's usually China, then maybe Japan. But all of these countries, even ones whose economies have stumbled, still have vibrant sectors where people are buying. We know or can find these buyers, and more often than not they will have a preference for 'Made in USA.'"

Connan explains that the quick turnaround for answers to questions about the Australia market has generated for his office during the past several months more than 50 new clients for whom the country had not been on their radar screen. One of the clients has already made a sale and other clients are likely to follow, Connan says.

DON'T PROCRASTINATE

Cino says that the time for Asia Now has come, and that this marshaling of resources should appeal especially to smaller firms whose owners find international markets too risky and beyond their personal comfort zones. With China now a member of WTO, a bilateral trade agreement in force with Vietnam, a free trade agreement nearing implementation with Singapore, and other countries in various stages of

dismantling trade barriers, the emerging trend is clear: Asia will be a source of substantial new demand for U.S. goods and services, for many years to come. She adds: "Now you can make one call to your local Export Assistance Center or Commercial Service office in Asia and get access to 14 markets. There are tons of opportunities in this region. We know where they are, and we're ready to help more U.S. businesses take advantage of them."

Fawzi agrees: "We're putting a lot of effort into developing new business here, and the Commercial Service and Asia Now make it possible by lowering the costs and risks of entry."

The U.S. Commercial Service helps small and medium-sized companies export. With offices in 108 U.S. cities and 85 countries, the Commercial Service last year helped nearly 13,000 U.S. companies generate exports worth \$27 billion. ■

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